

## SECOND AMENDMENT TO UNDERTAKINGS

This Second Amendment to Undertakings ("Second Amendment"), dated as of July 1, 2007, is entered into by and among PacifiCare of California ("PCC"), UnitedHealth Group Incorporated ("UnitedHealth"), PacifiCare Health Systems, LLC, formerly known as Point Acquisition, LLC ("Acquisition LLC"), and the Department of Managed Health Care ("DMHC") with reference to the following facts:

WHEREAS, PCC, UnitedHealth, Acquisition LLC and PacifiCare Health Systems, Inc. ("PHS") executed Undertakings Provided as Part of PacifiCare of California Notice of Material Modification Regarding Proposed Change in Control of Ultimate Parent Company, dated December 19, 2005 (the "DMHC Undertakings");

WHEREAS, PLHIC and UnitedHealth executed Undertakings to California Department of Insurance ("CDI"), dated December 19, 2005, in connection with the UnitedHealth Group Incorporated Form A Statement Regarding the Acquisition of Control of a Commercially Domiciled Insurer (the "CDI Undertakings");

WHEREAS, PHS has been merged into Acquisition LLC and Acquisition LLC has been renamed PacifiCare Health Systems, LLC ("PHS LLC");

WHEREAS, PCC, UnitedHealth, PHS LLC, DMHC, and CDI entered into an amendment dated May 18, 2007 (the "First Amendment"), to delete Undertaking 20(b)(2) and 20(b)(3) of the DMHC Undertakings and Undertaking 15(b)(2) and 15(b)(3) of the CDI Undertakings;

WHEREAS, Undertaking 19(b) of the DMHC Undertakings provides that PCC will fairly and affirmatively market and sell at least three (3) deductible HMO products in the individual and small markets by July 1, 2007;

WHEREAS, PCC has to date fairly and affirmatively marketed and sold two (2) deductible HMO products in the small group market, but has requested to substitute an alternative low-cost HMO plan design for the small group and individual markets which will lower health plan premiums, but will be without a deductible design, because some of PCC's capitated medical groups have experienced operational difficulties with the deductible HMO product;

WHEREAS, the parties now desire to enter into this Second Amendment to clarify that PCC's commitments made in connection with Undertaking 19(b) of the DMHC Undertakings will be re-directed to launching, within a revised time frame, an alternative low-cost HMO plan design without a deductible for small group and individual markets, instead of a third deductible HMO product.

WHEREAS this Second Amendment is intended to modify only Undertaking 19(b) of the DMHC Undertakings, does not amend the CDI Undertakings, and is in addition to, and does not negate, the First Amendment,

NOW THEREFORE, the parties agree to amend the DMHC Undertakings as follows:


1. Revision of Undertaking 19(b) of the DMHC Undertakings. PCC, PHS LLC, UnitedHealth, and DMHC agree that, in light of the commitments described in the DMHC Undertakings and the practical limitations experienced by some of PCC's capitated providers, Undertaking 19(b) shall be revised to allow PCC to launch, within a revised time frame, an alternative low cost product for small group and individual markets, instead of a third deductible HMO product. The text of Undertaking 19(b) of the DMHC Undertakings shall therefore be deleted in its entirety and replaced with the following:

"PCC agrees that it will launch at least three low cost HMO products in the individual and small group markets, including two deductible HMO products, within the time frames set forth below. The first two of these products, will include a deductible HMO design and will be launched no later than April 1, 2006 and


July 1, 2007, respectively. The third of these low-cost products, without a deductible, will be launched no later than February 1, 2008. 'Launch' shall mean fairly and affirmatively market and sell in accordance with section 1357.03 of the Act."


2. Miscellaneous.


- (a) Defined Terms. Terms utilized in this Amendment shall have the meaning set forth in the DMHC Undertakings , unless specifically defined in this Amendment.
- (b) Effect of Amendment. Except as specifically amended herein, the DMHC Undertakings shall continue as stated.

  
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